



# CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Set Public Hearing for October 3, 2001, to Consider Adopting Resolution Adjusting Water and Wastewater Rates

**MEETING DATE:** September 5, 2001

**PREPARED BY:** Public Works Director

**RECOMMENDED ACTION:** That the City Council set a public hearing for October 3, 2001, to consider adopting a resolution approving adjustments to water and wastewater rates as described in Tables A and B.

**BACKGROUND INFORMATION:** Following various budget and other discussions about the need to significantly increase our replacement rate of old water and wastewater lines, plus two shirtsleeve sessions on the replacement program and its effect on rates, City staff is recommending that water and wastewater rates be adjusted.

Staff has developed new rates to accomplish the following:

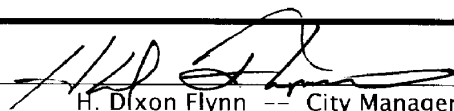
- Maintain a minimum fund balance of 15% of operating expenses (including capital maintenance), plus an additional reserve amount for unforeseen capital expenses of \$300,000 in water and \$600,000 in wastewater.
- Fund replacement of old pipes at an average rate of 1% of the system per year.
- Increase rates in increments rather than in one large jump.
- Encourage conservation.
- Reduce the in-lieu transfer to the General Fund to put all the utilities on the same percentage basis.

The proposed rates are shown in the following tables. The flat rate increases are 25% and 35% in water and wastewater respectively. The first increase was originally slated for October 1, 2001; however, based on comments from the August 29, 2001 Town Hall Meeting, increases will become effective January 1, 2002 and July 1, 2002. Other miscellaneous charges are also increased by these percentages since they relate to the issue of pipe replacement. Base rates for metered water accounts remain unchanged and the water commodity rate is recommended to increase 34% in October and 32% in July. The higher percentage is in order to maintain the appropriate revenue split between metered and flat-rate accounts. This also puts Lodi's metered rates more in alignment with other agencies and will help encourage conservation.

The reduction in the in-lieu rate to 12% would go into effect next fiscal year and the amount already transferred for the current year, based on the old rates and estimated revenue without the increase, is to remain the same.

These rate increases are the first since 1995 for water and 1991 for wastewater. Lodi's rate histories are shown in Exhibits A and B. Exhibits C and D are recent surveys of rates in other areas. In 2002/03, staff expects to have a major wastewater rate analysis done as part of the financing for the treatment facility upgrade; thus, we are not predicting rates beyond 2002. We will review water rates at that same time.

APPROVED:

  
H. Dixon Flynn -- City Manager

Set Public Hearing for October 3, 2001, to Consider Adopting Resolution Adjusting Water  
and Wastewater Rates  
September 5, 2001  
Page 2

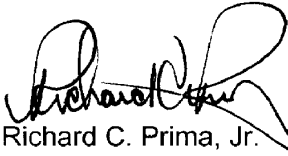
**Table A: Water Utility**

	Present Rate	October 2001	July 2002
Residential Flat Rate (per month):			
Single Family Unit (one bedroom)	\$ 8.65	\$ 10.81	\$ 13.51
(two bedrooms)	\$ 10.38	\$ 12.98	\$ 16.22
(three bedrooms)	\$ 12.45	\$ 15.56	\$ 19.45
(four bedrooms)	\$ 14.95	\$ 18.69	\$ 23.36
(five bedrooms)	\$ 17.94	\$ 22.43	\$ 28.04
(six bedrooms)	\$ 21.53	\$ 26.91	\$ 33.64
(seven bedrooms)	\$ 25.82	\$ 32.28	\$ 40.35
Multiple Family Unit (one bedroom)	\$ 7.42	\$ 9.28	\$ 11.60
(two bedrooms)	\$ 8.90	\$ 11.13	\$ 13.91
(three bedrooms)	\$ 10.68	\$ 13.35	\$ 16.69
		+ 20% for ea. add'l. bedroom	
Commercial/Industrial Flat Rate	varies	add 25%	add 25%
Existing accounts only. New accounts are metered.			
Metered Rate	\$ 0.296	per 100 cu. ft. (approx. 40¢ per 1,000 gal.)	
		\$ 0.397	\$ 0.524
plus monthly base charge:	\$ 11.43	¾" meter	No change
	\$ 17.14	1" meter	No change
	\$ 22.85	1½" meter	No change
	\$ 28.58	2" meter	No change
	\$ 40.00	3" meter	No change
	\$ 51.43	4" meter	No change
	\$ 74.29	6" meter	No change
	\$ 97.16	8" meter	No change
Construction Water Charges:	\$ 0.296	per 100 cu. ft. (appr. 40¢ per 1,000 gal.)	
		\$ 0.397	\$ 0.524

**Table B: Wastewater Utility**

Disposal to Domestic System:				
Residential (per month)	1 Bedroom	\$ 5.34	\$ 7.21	\$ 9.73
2 Bedrooms (basis for 1 Sewage Service Unit) (SSU)		\$ 7.12	\$ 9.61	\$ 12.97
	3 Bedrooms	\$ 8.90	\$ 12.02	\$ 16.23
	4 Bedrooms	\$ 10.68	\$ 14.42	\$ 19.47
	5 Bedrooms	\$ 12.46	\$ 16.82	\$ 22.71
	6 Bedrooms	\$ 14.24	\$ 19.22	\$ 25.95
	7 Bedrooms	\$ 16.02	\$ 21.63	\$ 29.20
Moderate Strength (annual per SSU)		\$ 85.42	\$115.32	\$155.68
(Most commercial & industrial unless "high strength				
High strength user:				
Flow (per MG, annual basis)		\$411.02	\$554.88	\$749.09
BOD (per 1,000 lbs., annual basis)		\$201.14	\$271.54	\$366.58
SS (per 1,000 lbs., annual basis)		\$164.42	\$221.97	\$299.66
Grease Interceptor and Septic Holding Tank Waste		\$ 62.96	\$ 85.00	\$114.75
within City Limits (per 1,000 gal.)				
Septic (only) Holding Tank Waste Outside City		\$133.67	\$180.45	\$243.61
Limits (per 1,000 gal.)				
Disposal to Storm Drain System (per MG)		\$ 66.13	\$ 89.28	\$120.53

FUNDING: None needed.

  
Richard C. Prima, Jr.  
Public Works Director

attachments

cc: Randy Hays, City Attorney  
Vicky McAthie, Finance Director  
Fran Forkas, Water/Wastewater Superintendent  
Roy Todd, Data Processing Manager



***Please immediately confirm receipt  
of this fax by calling 333-6702***

CITY OF LODI  
P. O. BOX 3006  
LODI, CALIFORNIA 95241-1910

**ADVERTISING INSTRUCTIONS**

**SUBJECT: SET PUBLIC HEARING FOR OCTOBER 3, 2001  
TO CONSIDER ADOPTING RESOLUTION ADJUSTING WATER AND  
WASTEWATER RATES**

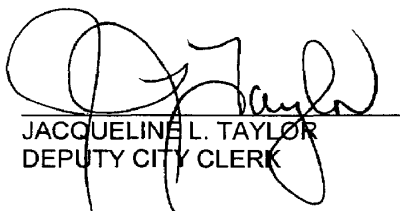
**PUBLISH DATE(s): SATURDAY, SEPTEMBER 8, 2001  
SATURDAY, SEPTEMBER 22, 2001**

**TEAR SHEETS WANTED: Three (3) please**

**SEND AFFIDAVIT AND BILL TO:** SUSAN BLACKSTON, CITY CLERK  
City of Lodi  
P.O. Box 3006  
Lodi, CA 95241-1910

**DATED: SEPTEMBER 6, 2001**

**ORDERED BY:**

  
JACQUELINE L. TAYLOR  
DEPUTY CITY CLERK

\_\_\_\_\_  
JENNIFER M. PERRIN  
DEPUTY CITY CLERK

**Verify Appearance of this Legal in the Newspaper - Copy to File**

Faxed to the Sentinel at 369-1084 at \_\_\_\_\_(time) on \_\_\_\_\_(date) \_\_\_\_\_(pages)  
Sharon \_\_\_\_\_ Phoned to confirm receipt of all pages at \_\_\_\_\_(time) \_\_\_\_\_Jac \_\_\_\_\_Jen (initials)



**CITY OF LODI**  
**Carnegie Forum**  
305 West Pine Street, Lodi

**NOTICE OF PUBLIC HEARING**

**Date:** October 3, 2001

**Time:** 7:00 p.m.

For information regarding this notice please contact:

**Susan J. Blackston**  
**City Clerk**  
**Telephone: (209) 333-6702**

**NOTICE OF PUBLIC HEARING**

**NOTICE IS HEREBY GIVEN** that on **Wednesday, October 3, 2001** at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a Public Hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) Adopting Resolution Adjusting Water and Wastewater Rates

Information regarding this item may be obtained in the office of the Public Works Department Director, 221 West Pine Street, Lodi, California. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the Public Hearing.

By Order of the Lodi City Council:

Susan J. Blackston  
City Clerk

**Dated:** September 6, 2001

Approved as to form:

Randall A. Hays  
City Attorney



## **DECLARATION OF POSTING**

On Thursday, September 6, 2001 in the City of Lodi, San Joaquin County, California, a copy of Notice of Public Hearing of the City Council of the City of Lodi to consider Adopting Resolution Adjusting Water and Wastewater Rates (attached hereto, marked Exhibit "A") was posted at the following four locations:


Lodi Public Library  
Lodi City Clerk's Office  
Lodi City Hall Lobby  
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 6, 2001, at Lodi, California.

ORDERED BY:

**SUSAN J. BLACKSTON**  
**CITY CLERK**



\_\_\_\_\_  
Jacqueline L. Taylor  
Deputy City Clerk

\_\_\_\_\_  
Jennifer M. Perrin  
Deputy City Clerk



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By Order of the Lodi City Council:

A handwritten signature in cursive script, reading "Susan J. Blackston".

Susan J. Blackston  
City Clerk

**Dated:** September 6, 2001

Approved as to form:

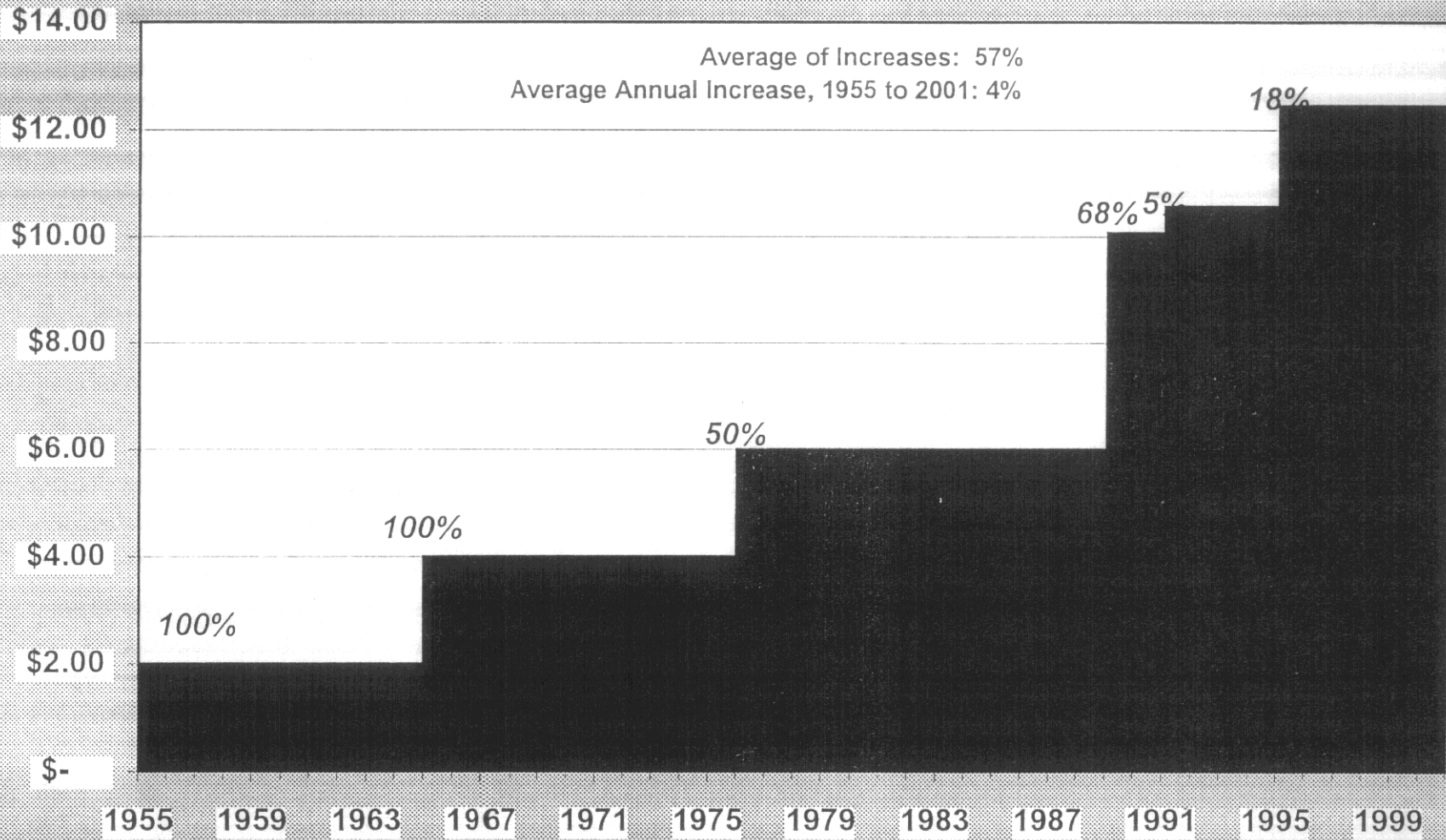
A handwritten signature in cursive script, reading "Randall A. Hays".

Randall A. Hays  
City Attorney

filed 9-5-01

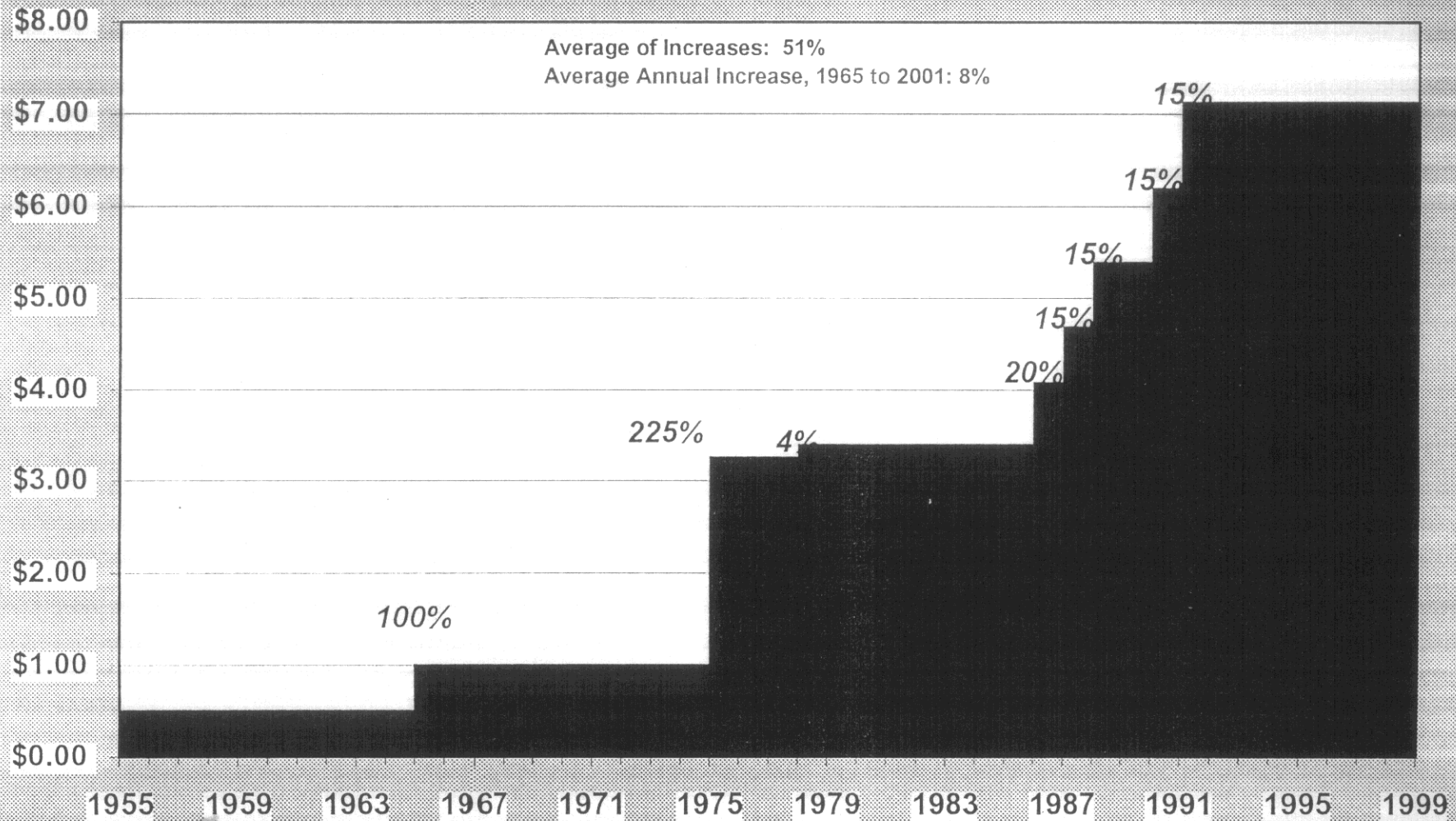
Attached are the exhibits for Item E-18. These are the handouts that were distributed at the recent Town Hall Meeting.

## Water Rate History ( 3 Bedroom Residence)





# Sewer Rate History ( 2 Bedroom Residence )



City	Base Charge	Water Charge	Total for typical residence	Comments
<b>Davis</b>				
Metered	\$8.71 /mo.	\$0.49 /100 cu. ft.	\$18.54 /mo.	Water charge increases to \$0.68/100 cu. ft. for amount over winter use "base line".
<b>Escalon</b>				
Metered	\$11.29 /mo.	\$0.8185 /1000 gal. \$0.6122 /100 cu. ft.	\$23.62 /mo.	\$0.9004/1,000 gals. for 50,000-80,000 gal., greater than 80,000 gal. \$0.9904/1000 gal.
<b>Lathrop</b>				
Metered	\$10.24 /mo.	\$1.1300 /1000 gal. \$0.8452 /100 cu. ft.	\$27.19 /mo.	
<b>Madera</b>				
Flat Rate	\$9.72 /mo.	n/a	\$9.72 /mo.	For 1st 5,000 sq. ft. lot. Increases \$0.13 per additional 100 sq. ft.
Metered		\$0.37 /1000 gal.	\$5.55 /mo.	No base charge.
<b>Manteca</b>				
Metered	\$9.20 /mo.	\$0.43 /100 cu. ft.	\$20.17* /mo.	Water charge is \$0.57/100 cu. ft. for amount over 2,000 cu. ft. User tax of \$2.35 added to all accounts.
<b>Merced</b>				
Flat Rate	\$7.17 /mo.	n/a	\$7.17 /mo.	\$7.17 for first 10,000 SF, per table up to \$39.90 for 46,000 SF
Metered	\$17.78 /mo.	\$0.504 /100 cu. ft.	\$17.78 /mo.	Base charge includes water allowance up to amount under quantity rate (3,500 cu. Ft. for ¾").
<b>Ripon</b>				
Flat Rate	\$17.86 /mo.	n/a	\$17.86 /mo.	Lot size up to 10,000 SF.
Metered	\$12.98 /mo.	\$0.900 /100 cu. ft.	\$18.43 /mo.	Base charge includes first 1400 cu. Ft.
<b>Roseville</b>				
Flat Rate	\$12.80 /mo.	n/a	\$13.44* /mo.	For single family lot between 4,901 and 8,900 SF; per table for other sizes
Metered	\$9.80 /mo.	\$0.40 /100 cu. ft.	\$14.51* /mo.	First 1,000 cu. ft. in base charge; water charge increases to \$0.43/100 cu. ft. for 5,000-15,000; \$0.46/100 cu. ft. for 15,000-25,000; \$0.49/100 cu. ft. for .25,000 cu. ft. plus 5% user tax.
<b>Stockton (City)</b>				
Metered	\$13.79 /mo.	\$0.665 /100 cu. ft.	\$29.30* /mo.	\$0.566/100 cu. ft. for amount over 30,000 cu. ft. plus 8% user tax.
<b>Tracy</b>				
Metered	\$9.85 /mo.	\$0.85 /100 cu. ft.	\$27.61 /mo.	Water charge increases to \$1.20 over 1,200 winter/1,800 summer cu. ft., \$1.40 over 1,900w/2,900s cu. ft., \$1.50 over 19,000w/28,700s cu. ft.
<b>Turlock</b>				
Flat Rate	\$13.45 /mo.	n/a	\$13.45 /mo.	\$7.05 for 0 to 5 rooms, \$7.90 for 6-8, \$8.70 over 8 plus charge based on parcel area (\$5.55 up to 5,500 SF, \$0.85 for each add'l 2000 SF)
Metered	\$9.45 /mo.	\$0.47 /1000 gal.	\$16.50 /mo.	Water charge decreases to \$0.40 over 50,000 gallons, \$0.17 over 150,000 gallons
<b>Vacaville</b>				
Metered	\$16.49 /mo.	\$0.69 /100 cu. ft.	\$32.66 /mo.	Water charge increases to \$0.98 over 1,200 cu. ft. 15% discount for senior citizens on base and consumption charge.
<b>Woodland</b>				
Flat Rate	\$7.45 /mo.	n/a	\$8.79* /mo.	For single family lot 5,000 to 10,000 SF; \$6.10 under 5,000 SF, \$9.10 over 10,000 SF (18% user tax reviewed every other year.)
Metered	\$3.90 /mo.	\$0.30 /100 cu. ft.	\$11.70* /mo.	
<b>Yuba City</b>				
Flat Rate	\$22.45 /mo.	n/a	\$22.45 /mo.	
Metered	\$12.35 /mo.	\$0.775 /100 cu. ft.	\$15.49 /mo.	Includes 1,600 cu. ft. minimum quantity
<b>Average</b>				
Flat Rate	\$11.36 /mo.	n/a	\$11.61 /mo.	
Metered	\$11.07 /mo.	\$0.553 /100 cu. ft.	\$20.05 /mo.	rates per 1000 gal. adjusted to 100 cu. ft.
<b>Lodi</b>				
Flat Rate	\$12.45 /mo.	n/a	\$12.45 /mo.	ranges from \$8.65 for 1 bedroom to \$25.84 for 7 br's.
Metered	\$11.43 /mo.	\$0.296 /100 cu. ft.	\$17.37 /mo.	Base charge does not include any water allowance.

Typical Residence Criteria:		Units (agency affected)
Water Use:	15,000	gallons/month (2,005 cu. ft.)
Parcel Area:	5,000	square feet (Madera, Merced, Ripon, Roseville, Woodland)
Meter Size:	¾"	size of service pipe is typically 1" minimum, meter is usually smaller
Rooms:	6	number (Turlock)
Bedrooms:	3	number (Lodi)
*		user tax added

## City of Lodi

## Water Rate Survey

July 2001

## Survey Cities - 2000 System Demographics

City	Population Served	# of customers:				Production Million Gals.	Source	Gallons/capita/day
		Flat Rat	%	Metered	%			
Davis	61,500	-	0%	15,300	100%	4,500	Wells	200
Escalon	6,000	-	0%	1,940	100%	448	Wells	205
Lathrop	11,000	-	0%	2,894	100%	820	Wells	204
Madera	43,207	9,404	97%	303	3%	3,856	Wells	245
Manteca	51,000	-	0%	13,001	100%	4,108	Wells	221
Merced	63,000	11,500	77%	3,500	23%	5,430	Wells	236
Ripon	10,100	2,897	91%	276	9%	1,260	Wells	342
Roseville	86,000	27,000	66%	14,000*	44%	8,356	Surface	266
Stockton	110,000	-	0%	34,602	100%	8,823	Wells(39%) Surface(61%)	220
Tracy	58,900	-	0%	17,184	100%	4,680	Wells(45%) Surface(55%)	218
Turlock	57,000	13,364	92%	1,116	8%	7,148	Wells	344
Vacaville	96,840	-	0%	24,448	100%	6,500	Wells(37%) Surface(63%)	184
Woodland	50,300	11,000	87%	1,700	13%	5,600	Wells	305
Yuba City	35,553	457	5%	8,406	95%	3,567	Surface	275
Average	52,886					4,650		247
						Avg. GPCD (metered):		216
						Avg. GPCD (flat):		290
Lodi	57,935	15,980		1,051		5,449	Wells	258
Lodi without 3 large industrial customers:						4,995		236

\* Residential meters are installed but are not being read.